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September 21, 1993

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EX PARTE PRESENTATION

Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street, N.W., #222  
Washington, D.C. 20554

Re: CC Docket No. 92-77 -- Billed Party Preference

Dear Mr. Caton:

This letter is in response to a request by telephone from Mr. Mark Nadel of the Common Carrier Bureau for clarification of Sprint's position that it would not object to exempting prison phones from billed party preference (see Sprint's August 27, 1992 Reply Comments at 26-27).

Sprint's position was based, in part, on the unique nature of the prison environment, but also emanated from a concern on Sprint's part of the risk of toll fraud from prison phones if they were included in billed party preference. At present, the most straightforward means of preventing the completion of fraudulent operator-assisted calls is to see whether the originating ANI includes information digits that indicate some type of billing restriction. The 07 information digits are used generically to denote a variety of restricted phones, including coinless payphones, hospital room phones, college dormitory phones and prison phones. When the 07 digits are received at Sprint's operator services switches, it checks the ANI against a database of Sprint's presubscribed lines which shows more precisely what type of phone (e.g., hospital, college dorm or prison) the call is originating from, so that Sprint can take appropriate measures at that point to guard against fraudulent calls.<sup>1</sup>

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<sup>1</sup>Sprint is more restrictive in handling calls from prison phones than calls from other phones covered by the 07 information digits.

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These existing fraud-control measures would not work in a billed-party-preference environment, since Sprint would receive calls from prison phones that are not presubscribed to it, but would have no way of knowing whether calls from non-presubscribed lines accompanied by the 07 information digits are from prison phones or from other types of restricted phones. Furthermore, even under the current environment of presubscribing public phones, fraud control is a problem from prison phones. It has been Sprint's experience that not all LECs consistently provide the 07 digits from prison phones, and when Sprint has informed them of that fact, it can take several weeks before some LECs begin to include the correct information digits. In the meantime, Sprint has no ready means of preventing additional fraudulent calls from being completed, since it depends on the 07 digits to "flag" the problem.

Under billed party preference, IXCs would need to have calls from prison phones specifically identified in order to take appropriate fraud control measures. The ICCF has recently established new information digits -- 29 -- specifically to denote prison phones. However, the haphazard implementation of these new information digits creates a serious question whether they will be useful in preventing fraud from prison phones. First, some LECs (e.g., GTE and NYNEX) have no current plans to implement the 29 information digits. Second, the LECs that are implementing the 29 code are doing so through so-called "Flexible ANI" offerings which can be implemented through software changes, as opposed to the switch hardware modifications that would normally be needed to add new information digits to ANI. While Sprint has no objection in principle to the LECs offering the 29 code through Flexible ANI, it believes that Flexible ANI should be regarded as a general network upgrade and should be offered as a non-chargeable optional feature in the LECs' access tariffs. Instead, many RBOCs impose substantial upfront charges for Flexible ANI (e.g., Ameritech, which charges \$2600 per CIC code per end office), which discourage IXCs -- particularly smaller IXCs -- from availing themselves of this service.

With the provision of the 29 information digits by the LECs either through ANI or through the offering of Flex ANI as a nonchargeable option, Sprint would not oppose inclusion of prison payphones in billed party preference. However, the obligation must rest firmly on the LECs to provide the 29 information digits from every prison phone. In the event the LECs fail to do so,

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they should be responsible, at least in the first instance,<sup>2</sup> for any toll charges associated with fraudulent calls from those phones.

Sprint hopes the foregoing adequately clarifies its position on the treatment of prison phones under billed party preference. An original and one copy of this letter are being filed.

Respectfully submitted,

  
H. Richard Juhnke  
General Attorney

cc: Mark Nadel

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<sup>2</sup>If the LECs' failure to transmit the 29 information digits is the fault of the customer in failing to make known the nature of the phone at the time its service order is placed, the LECs should be permitted to include appropriate provisions in their tariffs to charge back the fraud to the originating location.